

Texas State Affordable Housing Corporation

Saddlewood Apartments

3625 Welburn Rd., Bryan Texas 77801

Owner: Dalcor Saddlewood LTD

Date Built: 1995

Management Company: Allied Orion Group

Property Manager: Trisha Ellison

Inspection Date & Time: June 14, 2024, at 9:00 am

Inspector's Name: Blaire Bigelow

Occupancy at Time of Report:	74%	Average Occupancy Over Last 12 Months:	75%
Number of Units: 232			
Number of One Bedrooms:	48	Number of Two Bedrooms:	112
Number of Three Bedrooms:	72	Number of Four Bedrooms:	N/A

PHYSICAL INSPECTION	YES	NO	N/A
1) Are the access gates in operable condition?		X-see comment	
2) Is the community monument sign in acceptable condition?	X		
3) Is the perimeter fence surrounding the property in acceptable condition?	X		
4) Are the grounds and landscaping in acceptable condition?		X-see comment	
5) Are trees and shrubs properly trimmed?	X		
6) Are the grounds free of erosion, foot paths and tree root elevation?		X-see comment	
7) Are sidewalks clean and in good repair?	X		
8) Are parking lots clean, in good repair with handicap parking spaces clearly marked?		X-see comment	
9) Are all recreational, common areas and amenity areas clean, maintained, and accessible?	X		
10) Is facility equipment operable and in acceptable condition?			X
11) Is the area around the waste receptacles clean and are the enclosures in good repair?	X		
12) Is the exterior of the buildings in acceptable condition?	X		
14) Are hallways/breezeways clean and maintained?	X		
15) Are storage/maintenance areas clean, maintained and organized?	X		
16) Are building foundations in good repair?	X		
17) Are the gutters, downspouts, and fascia boards on the buildings in good repair?	X		
18) Do the building roofs appear to be in good condition?	X		
19) Do balconies and upper-level walkways appear to be in good condition?	X		
20) Do windows, blinds, doors, and trim appear to be in good condition?	X		
21) Is Management addressing all health, fire, or safety concerns on the property?	X		
22) Have repairs or corrections recommended or required from the last physical inspection been satisfactorily completed?		X	

COMMENTS: This year's report was conducted virtually. Overall, the property appears to be in good condition, with significant improvement in the cleanliness of the trash receptacles. However, several improvements are needed to assist with the property's upkeep. Other physical observations are noted below.

Observations:

- **Access gates:** The access gates are not operable. Management mentioned they are in the process of obtaining bids for the repair.
- **Parking lot:** Last year, it was noted that the parking lot, fire lanes, and speed bumps needed to be re-stripped and repainted. This has not been completed. TSAHC advises management to obtain bids to complete the repairs to eliminate any liability or safety risks.
- **Tree root elevation:** The tree roots are exposed in front of the mailroom sidewalk. It is advised to develop a plan to eliminate the risk of a tripping hazard.
- **Landscaping drop-offs:** Last year, it was noted that the landscaping presented several drop-offs in many areas, posing a tripping risk. Management needs to work with a landscaping vendor to fill in these areas around the property.
- **Tree trimming and shaping:** The trees need trimming and shaping as they appear to be very close to, if not touching, the building and electrical wiring. Management is encouraged to work with landscaping vendors to complete tree trimming.
- **Building exteriors:** The building's siding is fading and appears to be buckling, indicating a need for repair. Management is encouraged to inspect the property and assess how many building exteriors require attention (see photos below of building 17).

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The items mentioned above will be monitored during next year's review

SECURITY PROGRAM Part I

1) After review of the prior 3 months of police reports, the following incidents were noted and includes the number of times incidents occurred:

Incident Type	# of Occurrences	Comments:
Burglary	1	
Theft	0	
Criminal Mischief	1	
Personal Assault	1	
Drug Related Activity	1	
Gun Related Activity	0	
Domestic Violence	0	
Disturbance	20	Disturbance (19), Disturbance with a weapon (1)
Other	12	Noise complaint (6), Loud music (4), Threats (2)

	YES	NO	N/A
2) Does the property utilize a crime prevention agreement?	X		
3) Does the property take pro-active measures to address crime on property? If so, add comment	X		
4) Are light checks conducted by management staff on a weekly basis? If not, add comment.	X		

COMMENTS: The chart above was completed by using the Bryan Police Department's Calls for Service reports dated February 23, 2024, through May 23, 2024. There were 141 calls during this time and 36 of the calls are noted in the chart above.

SECURITY PROGRAM Part II

	YES	NO	N/A
1) Is the Staff trained to address crime on the property?	X		
2) Is the property free of graffiti and/or vandalism?	X		
3) Are criminal background checks being conducted on all residents over 18 years of age?	X		
4) Are criminal background checks being conducted on residents as they age to be 18 while living in the unit?	X		
5) Has a risk assessment been conducted to determine risk liabilities at the property? If yes, when?	X		

COMMENTS: The last risk assessment was conducted by the Regional Supervisor in December 2023.

OFFICE

	YES	NO	N/A
1) Is the office neat, the desk uncluttered?	X		
2) Are accurate office hours posted?	X		
3) Are emergency phone numbers posted?	X		
4) Are the EHO logos clearly posted?	X		
5) Are the following displayed in full view in the leasing office?			
➤ Fair Housing Poster	X		
➤ Occupancy Qualifications	X		
6) Is there a compliance department that ensures the set aside and eligibility requirements are being maintained?	X		
7) Does the property require licenses or permits?	X		
➤ Pool permit	X		
8) Are property licenses and permits renewed as required?	X		
9) Are vendor insurance records/binders properly maintained?	X		
10) Are vendors properly screened to ensure proper insurance documents are being maintained?	X		
11) Which of the following community amenities are provided for resident use?			
➤ Playground	X		
➤ Community Room	X		
➤ BBQ/Picnic Area	X		
➤ Laundry Facility			X

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➤ Business Center	X		
➤ Pool	X		
➤ Other: Volleyball Court, Fitness Center, and Pet Stations	X		

COMMENTS:

KEY CONTROL	YES	NO	N/A
1) Does the property use an electronic key tracking system? If not, answer questions 2-5.	X		
2) Are all property keys properly coded?			X
3) Is key box locked and secured?			X
4) Is the key code list kept separate from the key box?			X
5) Are locks being changed during unit turnovers?	X		

COMMENTS: The property uses HandyTrac key control system.

MAINTENANCE PROGRAM	YES	NO	N/A
1) Does the property have a preventative maintenance program that is being followed?	X		
2) Is the maintenance shop clean and organized?	X		
3) Does the maintenance area have properly documented MSDS material and chemicals labeled properly?		X-see comment	
4) How often are Pest Control services provided? ➤ Pest Control services are provided once a week; each week one building is serviced and up to ten requests.			
5) What is the policy for following up on completed service requests? ➤ Management follows up with the residents at random.			
6) What is the property's after-hours emergency policy? ➤ After-hours emergencies go through a call system that texts and sends voicemails to the property manager and maintenance.			
7) What capital improvements have been scheduled or completed for this budget year? ➤ Drainage upgrades have been completed.			

Detail of Ongoing Repairs and Replacements Completed in Last Budget Year

8) Unit Interior and Appliance upgrades ➤ Flooring is being replaced in make-readies and occupied units.			
9) Building Exterior and Curb Appeal repairs ➤ Concrete repairs, flowers, mulching and tree trimming have been completed to enhance curb appeal.			
10) Amenity upgrades ➤ New Pool Furniture			
11) Other repairs or replacements ➤ Siding, fence repairs and a new sewer line at building 19.			
Number of service requests received:			120
Number of requests open from prior periods:			0
Number of service requests completed:			120
Number of service requests completed within 24 hours:			0
Number of outstanding service requests:			86

12) On average, how many days does it take to complete a work order?
➤ It takes an average of six days to complete a work order. The extended length is due to a shortage of maintenance staff.

COMMENTS: The Work order Summary used to complete the chart above dated May 1, 2024, through May 31, 2024. They do not have an MSDS book in the maintenance area, however management informed reviewer and provided a photo of the MSDS book that is on order.

MARKETING			
1) Complete the table below with the most recent information available.			
SOURCE	COST	# of Prospects	# of Leases
Drive-By/Word of Mouth	\$500	7	6
Resident Referral (Current/Prior)	\$100	1	0
Locator Service	\$0	0	0

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Printed/Internet Advertising (Property Website, Facebook, Google)	\$450	57	5
Other Source (GoSection 8)	\$80	2	2
TOTAL	\$1,130	67	13

The rental activity reflected in the above table was for the month of: May 2024

	YES	NO	N/A
2) Is the property doing bilingual advertising?	X		
3) Does the property have any competitors nearby?	X		
4) Does the property "shop" their competitors?	X		
5) Does the property complete a market survey at least monthly?	X		

COMMENTS: The chart above was filled out using the New Prospect May 2024 report. According to management, they spent about \$500 a month on curb appeal including adding fresh flowers and balloons. TSAHC recommends maintaining the property's curb appeal, as this is the main factor in converting prospects into leases.

LEASE RENEWAL	YES	NO	N/A
1) Does it appear that an effective lease renewal program is in place? If no, please comment below.	X		
2) What percentage of residents renewed last month, past 6 months, and past 12 months?	Current: 0%	6 months: 12%	12 months: 36%
3) What percentage of move-outs in the last 12 months were due to eviction for non-payment of rent or "skip"?	58%		
4) Are lease renewal notices sent to residents at the 120-day, 90-day, 60-day and 30-day timeframes prior the end of the lease contract? If not, comment below.	X		
5) Are rent increase notices sent to residents at least 30-days prior to the rent increase implementation?	X		
6) Are individual files being reviewed to determine renewal/non-renewal status?	X		
7) Are renewals and re-certifications tracked and monitored with property management software? I.e., Yardi, Onesite, or Owner/Agent created software?	X		
8) When was the last rent increase implemented? What was the average rent increase? > March 2024, rent increases were implemented with the average rent increase being \$50.			
9) How many households are currently on month-to-month leases? > There are currently 16 households on month-to-month leases.			
10) What is the charge for month-to-month leases? > Month to month leases are charged market rent.			

COMMENTS: Lease renewals are currently low due to a new manager working to get caught up and renewals back on track. The percentage of moveouts due to evictions, non-payment of rent or skips has decreased by almost 50% since the last review.

VACANT/MAKE READY UNITS	
1) Number of vacant units at time of activity report:	55
2) Number of completed made ready units at time of activity report:	7
3) Number of completed one-bedroom units at time of activity report:	3
4) Number of completed two-bedroom units at time of activity report:	4
5) Number of completed three-bedroom units at time of activity report:	0
6) Number of uncompleted made ready units at time of activity report:	48
7) Number of uncompleted one-bedroom units at time of activity report:	5
8) Number of uncompleted two-bedroom units at time of activity report:	23
9) Number of uncompleted three-bedroom units at time of activity report:	20

Units Walked

Unit #	Brief Description
113	Vacant
1413	Vacant

Down Units Walked (units vacant and unready for extended period and all down units)

Unit #	Brief Description
704	Vacant 324 days, not ready, down unit see comment.
1703	Vacant 821 days, not ready down unit see comment.

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	YES	NO	N/A
1) Does the Unit Availability Report match the make ready board?	X		
2) Are units being turned in a timely manner?		X	
3) Are there any down units?		X	
4) Are there vacant units that have been vacant for an extended period? If so, please comment below.	X		
5) Is management utilizing property software (i.e., Yardi, Onesite, or an owner/agent created) to monitor the timely preparation of units? If not, comment.	X		
6) How often are occupied units inspected? ➤ Occupied units are inspected: Semi-annual			
7) How often are vacant units inspected? ➤ Vacant units are inspected: Weekly			
8) How many vacant units are in progress of being made ready? ➤ There are currently 48 vacant units that are not ready. Staff and vendors are working in 10 units currently. See comment.			
9) What is the company policy on the number of days to turn vacant units? ➤ The company policy is to have units turned within seven days.			
<p>COMMENTS: Currently there are fifty-five vacant units. The management team is prioritizing leasing the oldest units first to ensure efficient make-ready process. Due to the high volume of vacant units, management has engaged a vendor to assist with the make-ready process. This collaboration is necessary because they have been unable to complete the make ready process for all units within their standard seven-day policy.</p> <p>The reviewer requested inspection photos of four vacant units during the file audit. Out of the four requested units, two are considered Down Units (unit 704 and 1703). Additionally, the Available Unit report dated 05/28/2024 indicated there are 36 units that are "Not Made Ready" that have been vacant for over 180 days making them Down Units. Unit 1703 is not listed on the Available Unit report however it is marked "Vacant" on the Unit Status Report (USR) which would make it a total of 36 "Down Units".</p> <p>Finding:</p> <ul style="list-style-type: none"> The units listed below are Down Units because they are not made-ready and available for occupancy in over 180 days as of the date of this report. Monthly progress reports must be submitted to TSAHC by the last day of each month until all make-ready work has been completed. The progress report must include copies of paid invoices, closed-out work orders and an updated Available Unit Report. These documents are required to demonstrate that the units are available for occupancy. Down units: 0101, 0102, 0109, 0111, 0105, 0307, 0603, 0605, 0701, 0704, 0801, 0802, 0805, 0806, 0807, 0808, 1006, 1008, 1105, 1108, 1109, 1205, 1208, 1301, 1302, 1311, 1313, 1314, 1406, 1508, 1413, 1414, 1613, 1615, 1702, and 1703. 			

BUDGET MANAGEMENT					YES	NO	N/A
1) Are three bids solicited to obtain materials, supplies, and services?					X		
2) Have there been any large, unexpected repairs or purchases that have negatively affected the current budget? If so, comment below.						X	
3) Explain YTD variances of 10% of greater in the chart below.							
<p><u>Expense Items that Varied by 10% or Greater from the Budget for Year-to-Date Operations Ending</u></p> <p>(Please note that a positive variance is under budget and a negative variance is over budget.)</p>							
EXPENSE ITEM	ACTUAL	BUDGET	VARIANCE	%	EXPLANATION		
General Administrative	\$15,876	\$19,834	\$3,957	22%	Applicant screening, Professional fees, Supportive Services, Employee functions, Travel		
Contract Services	\$13,730	\$19,444	\$5,713	34%	Security, Landscaping, Pest Control		
Repairs & Maintenance	\$8,552	\$10,300	\$1,747	18%	Appliance, Doors/windows/screens, Interior repairs, Plumbing supplies, Occupied supplies,		
Make Ready/Cleaning	\$7,361	\$17,600	\$10,238	82%	Paint, Sheetrock supplies, other, office/club/model		
<p>COMMENTS: There is a large, budgeted amount for make-ready projects as vendors are being utilized to complete make-ready tasks.</p>							

REVENUE					
FOR THE MONTH ENDING: April 2024			YEAR TO DATE AS OF: April 2024		
Gross Potential		\$228,056	Gross Potential		\$912,224
Budgeted Rental Income		\$221,226	Budgeted Rental Income		\$880,116
Actual Rental Income Collected		\$217,363	Actual Rental Income Collected		\$881,188

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Variance + (-)	(\$3,863)	Variance + (-)	\$1,071
Other Revenue	\$24,125	Other Revenue	\$43,712
Total Budgeted	\$179,100	Total Budgeted	\$677,238
Total Collected	\$155,316	Total Collected	\$646,137
Variance + (-)	(\$23,783)	Variance + (-)	(\$31,100)

COMMENTS:

ACCOUNTS PAYABLE	YES	NO	N/A
1) Is the payable report up to date?	X		
2) Is the property in good standing with all vendors?		X	
3) Are invoices processed weekly?	X		
COMMENTS: Apartment mailbox king has not been paid; it is over 90 days past due in the amount of \$9,618 management stated a check has been submitted. This section was completed using the AP Aging Summary dated May 28, 2024.	0-30 Days:		\$20,248
	30-60 Days:		\$39,603
	60 Days and Over:		\$13,057
	TOTAL		\$72,908

DELINQUENCIES	YES	NO	N/A
1) Is the delinquency report up to date?	X		
2) What is the rent collection policy? ➤ Rent is due on the first and late on the fifth. On the sixth, a ten percent late fee is charged.			
3) When is legal action taken against delinquent accounts? ➤ Legal action is taken after a 30 day notice to vacate is sent to the tenant. They will try to place them in a payment plan before eviction.			
4) Does the property currently have any resident(s) under eviction?	X		
5) Does Housing have any outstanding balances?		X	
COMMENTS: This section was completed using Aged Receivables Summary dated May 28, 2024. The total delinquency has increased by \$32,694 since last review. Management stated there are 2 residents facing eviction for non-payment of rent. They are offering payment plans to retain residents before filing for eviction due to low occupancy. If a payment plan falls through, the eviction process is started.	0-30 Days:		\$47,014
	30-60 Days:		\$21,114
	60 Days and Over:		\$46,405
	TOTAL		\$114,533

RETURNED CHECKS	YES	NO	N/A
1) Total number of returned checks in the past 3 months:		1	
2) Has the manager collected and deposited all returned checks?	X		
3) Is the manager following company policy on returned checks?	X		

COMMENTS:

PERSONNEL	YES	NO	N/A
1) Does owner/agent have a system/procedure for providing field supervision of on-site personnel?	X		
2) Does the property appear to be adequately staffed?		X-see comment	
3) Is overtime being controlled?	X		
4) Were requested pre-audit reports submitted on time?	X		
5) Does it appear that personnel are team oriented?	X		
6) Was management staff prepared for the site visit?	X		
7) Has staff turnover occurred since the last site review?	X		
8) Are weekly staff meetings held?	X		
9) Have personnel been trained in Fair Housing?	X		
10) List training staff has received in the past year. ➤ TDHCA Income Determination Training with HOTMA Changes, Grace Hill Trainings to include Workplace Violence, Preventive Maintenance, Cyber Awareness, Sexual Harassment, monthly Safety courses and Fair Housing.			

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COMMENTS: The property has experienced significant staff turnover since the last review, including changes in the Property Manager, Leasing Agent and Maintenance personnel. They are currently operating with one less maintenance person.

OWNER PARTICIPATION	YES	NO	N/A
1) Does the owner have access to the software system utilized to manage the property?	X		
2) Is site management required to submit weekly reports to the owner?	X		
3) Are the funds for needed capital improvement items, turning of units, and marketing campaigns released by the owner according to what has been budgeted?	X		
4) What is the dollar amount of an unbudgeted or over budget expense that requires owner approval for the release of funds? ➤ Any amount being spent must be approved by the Regional Manager.			

COMMENTS:

SUMMARY OF OBSERVATIONS AND FINDINGS

Observations:

- **Access gates:** The access gates are not operable. Management mentioned they are in the process of obtaining bids for the repair.
- **Parking lot:** Last year, it was noted that the parking lot, fire lanes, and speed bumps needed to be re-stripped and repainted. This has not been completed. TSAHC advises management to obtain bids to complete the repairs to eliminate any liability or safety risks.
- **Tree root elevation:** The tree roots are exposed in front of the mailroom sidewalk. It is advised to develop a plan to eliminate the risk of a tripping hazard.
- **Landscaping drop-offs:** Last year, it was noted that the landscaping presented several drop-offs in many areas, posing a tripping risk. Management needs to work with a landscaping vendor to fill in these areas around the property.
- **Tree trimming and shaping:** The trees need trimming and shaping as they appear to be very close to, if not touching, the building and electrical wiring. Management is encouraged to work with landscaping vendors to complete tree trimming.
- **Building exteriors:** The building's siding is fading and appears to be buckling, indicating a need for repair. Management is encouraged to inspect the property and assess how many building exteriors require attention (see photo below of building 17).

Finding:

The units listed below are Down Units because they are not made-ready and available for occupancy in over 180 days as of the date of this report. Monthly progress reports must be submitted to TSAHC by the last day of each month until all make-ready work has been completed. The progress report must include copies of paid invoices, closed-out work orders and an updated Available Unit Report. These documents are required to demonstrate that the units are available for occupancy. **Down units:** 0101, 0102, 0109, 0111, 0105, 0307, 0603, 0605, 0701, 0704, 0801, 0802, 0805, 0806, 0807, 0808, 1006, 1008, 1105, 1108, 1109, 1205, 1208, 1301, 1302, 1311, 1313, 1314, 1406, 1508, 1413, 1414, 1613, 1615, 1702, and 1703.

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